Further, considering the lapse in observance of the regulatory framework, it has been decided, in the case of 35 scheduled commercial banks including 12 foreign banks, to withdraw, until further notice, the exemption given under Section 42(7) of the Reserve Bank of India Act, 1934 from maintenance of 10 per cent incremental cash reserve ratio. Accordingly with effect from the fortnight beginning August, 6, 1994, these banks will be required to maintain 10 per cent incremental cash reserve ratio.

Policy regarding locations of Head quarters of Public and Private Sector Banks

*34. SHRI RAJUBHAI A. PARMAR:

SHRI SUSHILKUMAR SAMHAJIRAO SHINDE:

Will the Minister of FINANCE be pleased to state:

(a) whether Government have taken any policy decision regarding the location of healquarters of Public and Private Sector Banks with specific reference to the investment potential provided by an area; if so, the details in this regard;

(b) whether Government have received any representations from Gujarat Chambers of Commerce or other public representatives or other representative bodies of Gujarat in this regard, especially with reference to the location of the headquarters of the newly set up UTI Bank; if so, what was their precise plea; and

(c) the Government's decision in regard thereto?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M. V. CHANDRASEKHAR MURTHY) (a) The guidelines on the entry of new private sector banks issued by the Reserve Bank of India provide that preference may be given in the matter of grant of licence to banks the headquarters of which are located in a centre which does not have the headquarters of any other bank. No policy decision has been taken regarding location of headquarters of public and private sector banks with specific reference to the investment potential of an area.

(b) and (c) The Government have received representations expressing concern over the fact that though the registered office of UTI Bank Ltd. is situated in Ahmedabad, the administrative office of the bank is in Bombay. It has been suggested in these representations that the administrative office of the bank should be set up either in Ahmedabad or any other suitable place in Gujarat instead of in Bombay.

In this connection, Reserve Bank of India have intimated that the condition stipulated in the 'in principle' approval for location of the registered office of the bank in Ahmedaad has been fulfilled. The location of the administrative office is left to the discretion of the bank concerned.

Replacing sales tax with value added tax (VAT)

*35. SHRI O. P. KOHLI: Will the Minister of FINANCE be pleased to state:

(a) whether a meeting of the Finance Ministers of the States was held in Delhi recently to consider unifying the sales tax rates all over and to replace Sales Tax with Value Added Tax; and

(b) if so, the details of matters discussed and the decisions taken thereon as also the action taken thereon?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE

(SHRI M. V. CHANDRASHEKHAR MURTHY): (a) Yes, Sir.

(b) The Conference discussed the implications of introducing a Value Added Tax, levy of consignment tax levying of luxury tax by some States, harmonisation of sales tax rates and inclusion of more items in the list of declared goods. The Conference unanimously resolved to constitute a Committee of Finance Ministers to examine all aspects of tax reforms including introduction of Value Added Tax. In pursuance of the resolution, the Government has constituted a Committee of Finance Ministers of 11 States.

Improvement of plant load factor (PLF) of Thermal Power Stations

*36. SHRI PARMESHWAR KUMAR AGARWALLA: Will the Minister of POWER be pleased to state:

(a) whether Government have at any time drawn up an action plan to improve the PLF of various thermal power stations;

(b) if so, the details thereof, the power station/plant-wise targets with specific time frames, the manner in which the targets were sought to be achieved and the actual achievements during specific time frames;

(c) the reasons for non-achievement of targets and the measures taken and the likely time frame within which the original/revised targets are likely to be achieved; and

(d) the loss incurred due to non-achievement of targets, responsibilities fixed and action taken?

THE MINISTER OF POWER (SHRI N. K. P. SALVE): (a) and (b) The Conference of the State Power Ministers held in January, 1993 adopted in action plan to improve the PLF. The plan envisaged as follows:—

(i) SEBs with 1991-92 PLF below 40 per cent—PLF to be improved by a minimum of 3 per cent per annum during the VIII Plan.

(ii) SEBs with PLF between 40 per cent and 60 per cent—PLF to be improved by a minimum of 2 per cent per annum.

(iii) SEBs with PLF above 60 per cent—PLF to be improved by a minimum of 1 per cent per annum.

The organisation-wise targets and achievements for the year 1993-94 and the targets fixed for the year 1994-95 are indicated in the enclosed statement. (See below)

(c) and (d) The common reasons for low PLF achievements in some stations are as under:-

1. Poor maintenance and unsatisfactory work culture.

2. High rate of forced outages.

3. Long time taken for completion of residual works of new units.

4. Flooding of power stations during rainy season.

5. Short supply of coal/fuel.

6. Shutdown of units for residual life assessment studies.

7. Fund constraints.

8. Backing down due to low system demand.

The actual loss for failure to achieve the target differ from plant to plant. Since the administrative/financial control of the State Sector Power Stations remains under the